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## Policies

### **Insurance move gives farmers a harvest of renewed hope**

[China daily, 02-05-2017] The State Council's executive meeting on April 26 decided to push forward government implementation of the system by launching pilot zones to improve the overall disaster insurance in agriculture.

This aims to further enhance insurance in the agricultural sector to boost supply-side reform in agriculture and increase farmers' incomes.

According to a statement after the meeting, disaster insurance will be provided in 13 major grain-producing provinces, with insurance covering material costs and land rental impacted by disaster. Meanwhile, the government will also increase the subsidy for insurance payments in the pilot counties.

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### **VAT to be reduced on agricultural products in July**

[China Daily, 04-05-2015] Value-added tax on agricultural products and some other goods will be reduced starting in July, the Ministry of Finance said on Wednesday, 3 May.

The value-added tax rate faced by companies to import or sell agricultural products will be reduced from 13 percent to 11 percent, according to an online announcement by the ministry.

Companies that import or sell forage products, vegetable oil, natural gas and books will also receive the same level of tax cut benefits, the ministry said.

After the measures are implemented in July, the value-added tax regime will be simplified by combining four tax rates into three, with the 13 percent tax rate being eliminated and keeping the 17, 11 and 6 percent tax rates.

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### **China to promote PPP in agricultural, tourism projects**

[Xinhua, 03-05-2017] China will promote public-private-partnerships (PPP) in developing agriculture and "happiness industries" like tourism, culture and healthcare.

The government will improve the PPP process and roll out a fourth round of demonstration projects, according to a statement from the Ministry of Finance on 3 May.

The central government is looking to PPP, a collaborative investment model between government and private companies, as a way to fund infrastructure projects amid concerns over high local government debt.

Last year, the number of signed PPP projects and total investment more than quadrupled from 2015, with private enterprises participating in more regions and sectors than ever before.

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### **China 2017/18 corn planting area to drop 2.5 pct**

[Reuters, 10-05-2017] Chinese farmers are expected to sow 35.84 million hectares of corn this year, down 2.5 percent from last year, the agriculture ministry said on Wednesday 10 May, as Beijing looks to boost alternative crops to reduce its corn glut.

In its first estimate for the 2017 crop, the ministry said China is expected to produce 213.19 million tonnes of corn, down 2.9 percent from a year ago.

Beijing is sitting on close to 250 million tonnes of corn, equal to more than a year of consumption, after a near decade-long stockpiling system. The glut prompted Beijing to include cutting corn areas and raising soybean planting in a five-year government plan issued last year.

Soybean imports by China, the world's top buyer of the oilseed, were expected to jump 4.2 percent from last year to 93.16 million tonnes, as hog production recovers and demand for soymeal increases.

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## Science, Technology and Environment

### **Celebrating 60 Years of Success**

[China daily, 26-05-2015] Through decades of groundbreaking research and innovation, CAAS has been central to improving food supply, security and safety worldwide

China's top agricultural scientific institution, the Chinese Academy of Agricultural Sciences will continue to work on scientific innovation and technology transfer to better serve the strategic planning of the country, said Tang Huajun, president of the academy.

More than 10,000 new varieties, products and techniques, including genetically improved insect-resistant cotton, dwarf-sterile wheat, rapeseed with a higher oil content and the mechanized harvest of peanuts, won 310 national-level awards, accounting for 16.2 percent of the whole number of the awards in the field of agricultural research, ranking the first in China's agricultural industry, statistics showed.

It is ready to celebrate its 60th anniversary on May 26.

"CAAS is determined to build a world-class agricultural scientific institution, to put emphasis on scientific breakthroughs and their application in real life, and to attract and cultivate more professionals for society," said Tang.

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### **Unit set up to tackle farmland pollution, degradation**

[Chinagate.cn, 03-05-2017] The Ministry of Agriculture set up a unit to tackle soil pollution and degradation of arable land.

The new arable land quality monitoring and protection center will build a nationwide network to monitor arable land quality and treat degradation and pollution.

The move came amid efforts to ensure food security as climate change and pollutants eroded arable land and reduced its capacity to produce food.

Total arable land in the country was 135 million hectares at the end of 2015. China has set a base line of 124 million ha.

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### **Call to make manure fertilizer of choice**

[China Daily, 10-05-2017] The Ministry of Agriculture will encourage the use of manure and reduce chemical fertilizers to make its agricultural industry more environmentally friendly and cost-efficient, according to plans announced on Tuesday 9 May.

The government would like to see 75 percent of the livestock manure nationwide reused, and wants 95 percent of intensive livestock farms to be equipped with manure treatment facilities, Ye Zhenqin, spokesman for the Ministry of Agriculture, told a news conference.

About 40 percent of chemical fertilizers in China are used on fruit, vegetables and tea. The government plans to reduce the use of chemical fertilizers by 50 percent in key producing areas by 2020, Ye said, adding that 100 counties will be chosen as demonstration zones for replacing fertilizer with manure.

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### **Drones drive intelligent agriculture**

[China daily, 02-05-2017] The authorities are using drones to spray pesticide on wheat fields in Xinghua, East China's Jiangsu province, as part of this year's diseases and pests control program.

The local government is introducing high-tech tools to ensure bumper harvest in the future and to boost the development of intelligent agriculture.

In January, Vice Minister of Agriculture Zhang Taolin for the first time acknowledged using drones as agricultural machinery, Caijing Magazine reported.

Zhang said the government will subsidize agricultural drones in suitable pilot regions, which means agricultural drones have been included as the national subsidized agricultural machinery for the first time.

According to a report by SWS Research, the agricultural drones' operations have clear advantages over manual operations on operation efficiency, pesticides efficiency, water consumption, and cost.

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### **How maggots can put China's mountains of food waste to good use**

[SCMP, 29-05-2017] Thousands of voracious white maggots wiggle frenetically while tearing through trays of leftover meat, vegetables and fruit at an unusual farm in southwest China.

It may not be a pretty sight, but the gluttonous larvae could help China eat away something far uglier: the country's mountain of food waste.

The individual larvae of black soldier flies, which are native to the Americas, can each eat double their weight of garbage every day, according to experts. The farm in Sichuan province then turns the bugs into a high-protein animal feed and their faeces into an organic fertiliser.

There's no shortage of grub for the larvae: each person throws away almost 30 kg of food per year in China, a nation of 1.4 billion people.

China, Canada, Australia and South Africa are among the countries where it is legal to feed poultry and fish with insects.

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### **High-quality rice yields hope for Chinese farmers**

[Xinhua, 04-05-2017] Chinese farmers traditionally pursue quantity over quality when it comes to grain. But as incomes improve, consumers have become more demanding about quality. Meanwhile, prices of imported rice remain low, challenging China's cheap mid- and low-quality rice.

The central government announced in February that high-quality paddy rice should be a priority in agricultural production this year. Compared to regular paddy rice, high-quality rice is brighter in color and better in texture, and some types have a distinctive aroma.

Under these circumstances, government authorities with several big rice production bases have recently announced plans to cultivate a high volume of high-quality rice.

Hunan province, for example, plans to produce about 666,667 hectares of high-quality rice this year, while Chongqing hopes to produce 300,000 hectares of such rice. Sichuan plans to extend its high-quality rice area to more than 1 million hectares this year

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### **Researcher hails ‘milestone discovery in agricultural science’, with implications for all genetically modified plants**

[SCMP, 20-05-2017] China is one of the world’s top cotton producers partly because of a widespread sowing of banned seeds, according to a joint study by US and Chinese scientists.

An 11-year investigation spanning six Chinese provinces suggested that the black-market cotton seeds cut pesticide use and boosted cotton yields thanks to their long-term resistance to pests.

The study published this month in the latest issue of the journal *Proceedings of the National Academy of Sciences of the United States (PNAS)* said the seeds were a hybrid of genetically modified (GM) and traditional cotton plants. The production and trading of such seeds are banned in China.

“This is a milestone discovery in agricultural science,” said Professor Wu Kongming, a lead scientist of the research with the Chinese Academy of Agricultural Sciences’ Institute of Plant Protection in Beijing.

China’s experience could be useful to other countries, especially India, the researchers added.

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### **China pushes public to accept GMO as Syngenta takeover nears**

[Bloomberg, 22-05-2017] China will carry out a nationwide poll next month to test the public’s acceptance of genetically-modified food, a technology the government says would boost yields and sustainable agriculture in a country that’s seen consumption soar.

Beijing’s prestigious Tsinghua University and two other Chinese colleges will carry out the survey, said Jin Jianbin, a professor at Tsinghua’s School of Journalism and Communication. The poll, sponsored by the government, will be carried out in tandem with a campaign on social media to broadcast basic knowledge on GMO technology, which is widely misunderstood in the country, Jin said.

China is the world’s fourth-largest grower of GMO cotton and the top importer of soybeans, most of which are genetically modified and used for cooking oil and animal feed for pigs and chickens. But public concern over food safety issues and skepticism about the effects of consuming GMO foods have made the government reluctant to introduce the technology for staple crops.

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### **Project of China-UN development fund launched at UN headquarters**

[Xinhua, 26-05-2017] A project promoted by China-UN Peace and Development Trust Fund was launched on Friday 26<sup>th</sup> May at the UN headquarters in a bid to help developing countries reduce hunger and explore renewable energy.

The project named Juncao Technology provides with an agricultural technology to cultivate edible and medicinal fungi by using wild grasses and herbal plants instead of trees or woods.

The Juncao technology is developed based on research conducted by Professor Lin Zhanxi from China's Fujian Agriculture and Forestry University who invented the Juncao technology in the 1980s.

According to his research, the Juncao grass can develop its root system in deserts and grow fast and therefore it has been used to control soil erosion, desertification or manage saline-alkali soil.

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### **FAO and partners encourage social innovation to reduce food loss and waste in China's biggest city**

[FAO, 22-05-2017] As countries grow richer and diets change, the variety and quantity of foods consumed rise, and one of the many consequences is an increase in food loss and waste, a forum in China's largest city has heard.

The one-day event, dedicated to finding ways to stem food loss and waste in Shanghai, was co-organized by the Food and Agriculture Organization of the United Nations (FAO) and Bottle Dream, an organization dedicated to social innovation in China.

The event, designed primarily to raise public awareness about these issues, included influential speakers who shared their experiences and perspectives on food loss and waste through innovative ideas and approaches. The event was Webcast live to millions of interactive viewers.

FAO is in the process of establishing an innovation lab, Ag-LabCx, to engage multi-stakeholders for, among other things, the experimentation, prototyping and development of innovative projects related to food systems.

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### **ADB loan to promote inclusive, sustainable livestock farming in PRC**

[ADB, 18-05-2017] The Asian Development Bank (ADB) on 18 May signed a \$95 million private sector loan with Jiangsu Lihua Animal Husbandry Stock Company (Lihua) to develop inclusive and sustainable livestock farming in China.

China is already the world's largest consumer of meat. While the demand for meat is expected to continue to grow significantly, the livestock sector has been associated with serious pollution, animal disease, and food safety issues. If not properly managed, the development of livestock farming could harm the environment and threaten public health.

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## **Trade and Business**

### **Scottish whisky maker Loch Lomond bets big on China with distribution deal**

[Telegraph, 01-05-2017] One of Scotland's oldest whisky producers is banking on rising Chinese appetite for scotch after signing a distribution deal with China's biggest food company.

Loch Lomond Group, whose brands include Littlemill and Glen Scotia, said the partnership with the state-backed agriculture and food & beverage giant Cofco would pave the way for its whiskies to be sold across China.

Whisky sales in China have increased 12-fold in the last decade as the country's rising middle class develops a taste for single malt, with bottles popular as gifts.

The Asia-Pacific region now accounts for almost two thirds of global spirits consumption, according to International Wine & Spirits Research, and grew by 4.5pc last year.

China is one of the fastest growing regions with major drinks multinationals such as Diageo targeting the country. The value of imported spirits is expected to reach the \$3.2bn mark by 2020 with the biggest of growth from China.

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### **Syngenta's shareholders accept ChemChina merger offer**

[Xinhua, 05-05-2017] The majority of shareholders at Swiss agribusiness giant Syngenta have said yes to the merger offer from ChemChina, a Chinese industry leader.

As of the closing date for the offer on May 4, shareholders holding about 80.7 percent of the company's stocks had accepted the deal, according to a preliminary count, the Beijing-based ChemChina said on May 5 in a short statement.

ChemChina announced it would make the offer to acquire the Swiss company at 43 billion U.S. dollars in February 2016.

ChemChina said that the acquisition has won approvals from the Chinese, EU, Mexican and U.S. competition authorities.

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### **ChemChina deals part of 'national strategy'**

[GT, 09-05-2017] Domestic chemicals conglomerate China National Chemical Corp (ChemChina) has been moving quickly to acquire overseas companies in recent years, with the latest takeover target being Swiss pesticide maker Syngenta AG.

Experts said that the acquisition of Syngenta should be part of a "national strategy" to seize back the lifeblood of the domestic agriculture industry.

"China has always had to rely on overseas companies to provide agricultural products like pesticides, which means that China's agricultural sector is more or less reliant upon overseas countries and regions. But the acquisition of Syngenta would help change that situation, as ChemChina can share some of the advanced technologies of Syngenta," Li Xiaogang, director of the Foreign Investment Research Center at the Shanghai Academy of Social Sciences, told the Global Times.

But he warned that Chinese companies lack experience in overseas acquisitions and there are many examples of such deals falling short of expectations.

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### **Syngenta deal will 'drive modernisation' of Chinese farming**

[FT, 08-05-2017] Syngenta, the Swiss agribusiness group that is being acquired by ChemChina in the biggest foreign takeover by a Chinese company, will help Beijing modernise China's farm sector while simultaneously remaining firmly a "western company", its chairman has said.

Michel Demaré told the Financial Times that, under its new owners, Syngenta would become "a partner of the Chinese government to basically drive the modernisation of Chinese agriculture — so we get the whole growth story".

Under the takeover deal, the Swiss company won assurances from ChemChina to head off possible local political sensitivities, which may help explain why it has met little resistance

from Swiss politicians. These include special arrangements to ensure Syngenta's headquarters remain in Basel, Switzerland, and to protect its research and development budget.

The Syngenta deal is one of a trio of megamergers that are reshaping the global agrichemical and seeds industry. The others are Dow Chemical's \$147bn merger with DuPont and Bayer's \$66bn purchase of Monsanto.

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### **China conditionally approves Dow-DuPont merger**

[Xinhua, 02-05-2017] China has decided to greenlight the merger of chemical giants Dow Chemical and DuPont after nearly a year of antitrust investigations, but asked the two to divest some businesses as preconditions of the approval.

The Ministry of Commerce said in a statement that the merger will boost their market shares for some chemicals and limit competition in the Chinese market and beyond.

The two companies' dominance in pesticides, weed killer and several other products will likely increase after the consolidation of their marketing power and R&D division, which will dampen the rise of competitors, negatively impact technological advancement, and hurt downstream dealers.

The ministry believes the post-merger conglomerate will control nearly 40 percent of China's weed killer market, 75 percent for acid copolymers and 100 percent for ionomers. The proportions are similar globally.

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### **China's Cofco to import more European dairy, meat products**

[Reuters, 04-05-2017] China's state-owned Cofco Corp will import more dairy and pork products from Europe to meet the growing demand for high-end food products, the conglomerate's Chairman said on Thursday, 4 May.

The higher imports, along with an expansion of its domestic production, comes as China works to reform its sprawling agriculture sector, to optimise the supply structure, and keep up with changing consumer demand.

"Cofco's purchase capacity in Europe will be further boosted as the Chinese economy develops and the Chinese people's diet structure improves, especially as organic foods gain popularity among the public," Cofco's Chairman Zhao Shuanglian said at the signing ceremony for an agricultural food cooperation agreement between Cofco and the Danish Embassy.

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### **China's dairy giant Yili to bid for Danone's Stonyfield**

[China daily, 11-05-2017] Inner Mongolia Yili Industrial, China's biggest food and dairy group, plans to bid for the entire stake of Stonyfield, an organic yogurt producer that Groupe Danone holds a majority stake, for about 5.9 billion yuan (\$850 million), Yili announced on Wednesday.

The deal is in its preliminary stages and whether the company will win the bid is determined by many uncertain factors, Yili said in the announcement.

This is another large scale acquisition attempt for China's dairy giant Yili, which dominates standard temperature milk markets, to strengthen its competitive advantage in low temperature yogurt markets as a new profit-making engine.

Analysts expect the deal, once approved, will shift the industry landscape of low temperature dairy in China and raise awareness of Chinese dairy brands worldwide.

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### **China calls for cooperation with Denmark under Belt and Road initiative**

[Xinhua, 04-05-2017] Chinese President Xi Jinping on Thursday 4<sup>th</sup> May called for exploring fields and ways of cooperation with Denmark under the Belt and Road initiative.

Xi was meeting with Danish Prime Minister Lars Loekke Rasmussen, who was in China on a four-day official visit.

He called for launching a new type of cooperation featuring high tech and high added value, with a focus on the cyclic economy, energy conservation and environmental protection, food safety, agricultural technology, renewable energy and urbanization.

He also called for social and in-depth people-to-people exchanges in areas including tourism, giant panda research and football.

China expects to see enhanced coordination in multi-lateral frameworks such as the United Nations and the Arctic Council, said the president, pledging to expand arctic cooperation with Denmark.

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### **China and US reach agreement on beef, poultry and natural gas**

[Telegraph, 12-05-2017] Donald Trump's administration hailed warming relations with Beijing as details of a new trade deal between China and the United States were announced on Friday, 12 May.

The deal is part of a 100-day plan agreed by Mr Trump and Xi Jinping, the Chinese president, to reset the trade relationship between the world's two biggest economies.

The agreement covers a number of long-standing barriers in areas ranging from agriculture to energy to the operation of American financial firms in China.

China will open its borders to US beef after the meat was banned in 2003, while cooked Chinese poultry is set to enter the American market.

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### **China to increase imports from U.S.**

[Xinhua, 25-05-2017] China will increase imports from the United States in wide-ranging areas including agricultural products, energy and high-tech equipment, the Ministry of Commerce said Thursday, 25 May.

China would like to increase imports of agricultural products such as soybeans and cotton from the United States and speed up negotiations on terms regarding traceability, inspection and quarantine for U.S. beef to enter China, benefiting 6 million American farmers, according to the report.

After Canada, China is the largest export market for U.S. agricultural products, as well as the largest export market for soybeans and the second largest export destination for cotton.

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### **China eyes Uganda's agribusiness in new front**

[Xinhua, 06-05-2017] Agriculture is Uganda's main economic activity with over 70 percent of the country's population deriving its livelihood from the sector.

Uganda is hoping, basing on the experiences back home, that the Chinese enterprises could set up businesses to boost growth in the sector.

Already some Chinese business people have set up shop. The locals are farming Chinese hybrid rice and fox-tail millet both on a small and large scale basis.

According to experts, the yield of Chinese hybrid rice is three times more than the local breed from one hectare of land. Similarly, the yield of fox-tail millet is two times more than the local breed, finger millet in the same acreage.

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